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MEMO

To: Burlington Board of Finance
From: Laurie Adams, Assistant Director DPW Water Quality *LAH*
Date: October 25, 2013

Re: Request to Purchase & Finance an Excavator

The Water Division typically runs two crews for completion of water service and main repairs, replacements, valve upgrades and hydrant installations. In the past backhoes or wheeled machines were purchased. For some time the crew has wanted to use an excavator but previous management would not support this for unfounded reasons. I say this because the appropriate size excavator has many benefits.

1. Cost is comparable to a backhoe. The cost of a comparable new backhoe from John Deere is \$128,900 versus the cost of the excavator from John Deere at \$107,860 before trade.
2. Reach, 360 degrees, an excavator can reach both to the side, front and back whereas a backhoe has to physically move the entire rig.
3. An excavator has no outriggers therefore it is free to move without first lifting the outriggers or stabilizers.
4. Footprint of excavator a little shorter than a backhoe and better visibility.

Our new Water Distribution Foreman worked with Equipment Maintenance to detail the appropriate specifications for the type of machine we needed. Our proposal includes trading one of our existing backhoes and financing the remaining balance. The excavator needs a trailer to move the equipment from job to job. Bids were received from four vendors. We asked to demo the two closest in price with the operators on the crew who would be using the equipment. **Staff recommendation is the John Deere from Nortrax Equipment for a net cost of \$87,714.** This machine had a side boom which made for better visibility when operating than the Caterpillar. The Cat machine has a swing boom in front that made a blind spot for the operator. This purchase is included in the approved FY14 budget. Although we requested financing from the vendors the City is offering a rate of 2% over five years. A promissory note between the City and the Water Division would be signed for this arrangement. The estimated payment based on annual, beginning of period payments for five years would equal \$18,244.37/year.

FY14 EXCAVATOR AND TRAILER

BEAUREGARD EQUIPMENT

MACHINE: 2014 CASE CX75C	\$121,760
EAGER BEAVER TRAILER 12 TON	\$15,450
TRADE IN : 2006 JOHN DEERE 410G	(\$30,200)
NET:	\$107,010
FINANCE	
RATE: 3.50%	
YEARLY PAYMENT FOR 5 YRS:	\$19,370

CRW CORP.

MACHINE: 2013 VOLVO ECR88D	116,605.00	* INCLUDES TRAILER COST
SURE TRAC TRAILER 13 TON		
TRADE IN: 2006 JOHN DEERE 410G	(\$24,000)	
DOCUMENTATION FEE	\$395.00	
NET:	\$93,000	
FINANCE		
RATE 2.71%		
YEARLY PAYMENT FOR 5 YRS	\$19,607.76	* FIRST PAYMENT DUE @ CLOSING

NORTRAX EQUIPMENT

MACHINE: 2013 JOHN DEERE 75G	107,860.00
INTERSTATE 12 TON TRAILER	\$12,200
PATTERN CONTROL VALVE	\$654.00
TRADE IN : 2006 JOHN DEERE 410G	(\$33,000)
NET:	\$87,714.00
FINANCE	
RATE: 2.30%	
YEARLY PAYMENT FOR 5 YRS:	\$18,587.64

MILTON CAT

MACHINE: 2013 CATEPILLAR 308E2CRSB	\$121,000	* INCLUDES TRAILER COST
CAM 12 TON TRAILER		
TRADE IN: 2006 JOHN DEERE 410G	(\$35,000)	
NET:	\$86,000	
FINANCE		
RATE 2.25%		
YEARLY PAYMENT FOR 5 YRS:	\$18,192	*FIRST PAYMENT DUE @ CLOSING
